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State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

June 18, 2013

Certified Return Receipt
7010 2780 0002 7254 1132

Kevin Baugh
Tar Sands Holdings II, LLC
6445 South Wasatch Boulevard, Suite 105
Salt Lake City, Utah 84121

Subject: Directive to Submit a Revised Notice of Intention and Surety Calculations, Tar Sands Holdings II, Asphalt Ridge 2, M/047/0032, Uintah County, Utah

Dear Mr. Baugh:

Thank you for meeting with the Division on June 10, 2013, to discuss updates to the referenced Notice of Intention to Commence Large Mining Operations (NOI) noted above. The NOI needs to be updated to reflect current conditions and associated reclamation plan. The reclamation surety held for this permit is \$302,000 and is overdue for an escalation evaluation. **Please submit the updated NOI, including surety calculations, to the Division by July 29, 2013.** The Division will then review the revised NOI and surety calculations.

On a related matter, a valid exploration permit E/047/0066 is currently held in the name of Asphalt Ridge Mine with Crown Asphalt Ridge LLC listed as the operator. The operator plugged the exploration holes, but regrading and reseeding still need to be done. A partial release of the surety was approved on February 25, 2013, which reduced the bond amount to \$7,600.00. Please inform the Division whether you intend to complete the remaining reclamation work, or if you would like to continue exploration activities on this site.

Thank you for cooperation in completing this permit transfer. Please refer to file M/047/0032 for the large mine and E/047/0066 for the exploration permit in correspondence regarding this operation. Please call April Abate at 801-538-5214 or me at 801-538-5261 if you have questions.

Sincerely,

Paul Baker
Minerals Program Manager

PBB:aa:pb

cc: Denise Dragoo, Snell & Wilmer 15 W South Temple #1200 Salt Lake City, UT 84101
Brent Andrews, Kiron McConkie, 50 East South Temple, SLC, UT 84111
Linda Matthews, JBR Consultants, Inc., 8160 S. Highland Dr. Sandy, UT 84093
Scott Rasmussen, Scalley Reading Bates, 15 West South Temple, Suite 600 SLC, UT 84147-0429
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